



JENNIFER M. GRANHOLM  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TRANSPORTATION  
LANSING  
December 19, 2003

GLORIA J. JEFF  
DIRECTOR

The Honorable Shirley Johnson, Chair  
Senate Appropriations Subcommittee  
on Transportation  
Michigan State Senate  
P.O. Box 30036  
Lansing, Michigan 48909-7536

The Honorable Scott Shackleton, Chair  
House Appropriations Subcommittee  
on Transportation  
Michigan House of Representatives  
P.O. Box 30014  
Lansing, Michigan 48909-7514

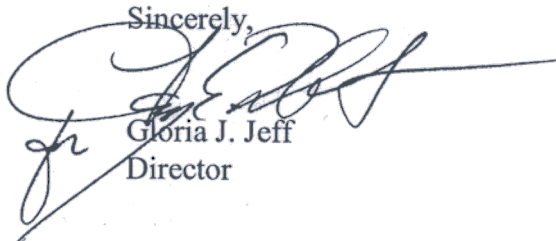
Dear Senator Johnson and Representative Shackleton:

Public Act 162 of 2003, Sec. 612 states:

The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1, 2004, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or disincentives, the amount of the incentives and/or disincentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

The Michigan Department of Transportation (MDOT), Bureau of Highway Operations, Administrative Services Section has established these guidelines and the report of incentives and disincentives for fiscal year 2003 is enclosed.

Sincerely,



Gloria J. Jeff  
Director

BFA:MF:FOD:EAT:kv  
Enclosure

cc Gary S. Olson, Director  
Senate Fiscal Agency  
Mitchell Bean, Director  
House Fiscal Agency  
bcc R. DeCook  
M. Frierson  
E. Timpf



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## OFFICE MEMORANDUM

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**DATE:** December 19, 2003

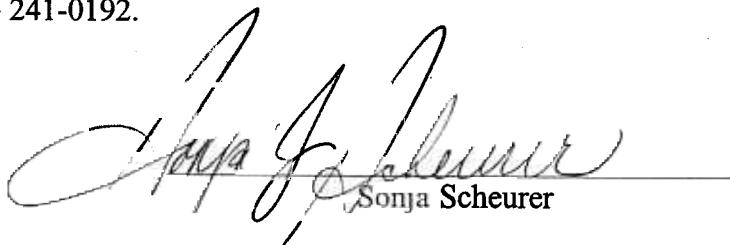
**TO:** Ed Timpf  
Financial Operations Division

**FROM:** Sonja Scheurer, Administrative Manager  
Highway Operations – Administrative Services

**SUBJECT:** Reporting Requirements for FY 2003-2004  
Operating Appropriation Act

In accordance with Act No. 162, Public Acts of 2003, Section 612, we are required to report on incentives and disincentives provided under contracts for state trunkline projects. There were no disincentives paid in FY 2002-2003; therefore, the attached document only identifies incentives paid.

If you have any questions or concerns, please feel free to contact me at (517) 335-2258 or Michelle Hayes at (517) 241-0192.

A handwritten signature in cursive script, appearing to read "Sonja Scheurer", is written over a horizontal line. Below the line, the name "Sonja Scheurer" is printed in a sans-serif font.

Sonja Scheurer

Attachments

**INCENTIVES/DISINCENTIVES PROVIDED UNDER CONTRACTS FOR STATE TRUNKLINE PROJECTS  
FY 2002 - 2003**

<b>Project</b>	<b>Contractor</b>	<b>Completed Past Contracted Completion Date</b>	<b>Days Lanes Were Opened Prior to "Open to Traffic" Date</b>	<b>Amount of Incentive Paid</b>
45010A	Walter Toebe Construction Co.	1 month	On Time	\$500,000.00
47085A	John Carlo, Inc.	7 weeks	9 days	\$225,000.00
50147A	Dan's Excavating, Inc.	7.5 months	3 days	\$3,000.00

Incentive payments are based on completion of contracted work necessary to "open to traffic" deadlines. The contracted completion date occurs after this incentive/disincentive "open to traffic" date.